

will be set at the maximum charge, and any amount above the maximum charge will be reapportioned to the remaining projects. The reapportionment will be computed using the method outlined in paragraphs (c) and (d) of this section (but excluding any project whose annual charge is already set at the maximum amount). This procedure will be repeated until no project's annual charge exceeds the maximum charge.

(g) *Commission's costs.* (1) With respect to costs incurred by the Commission, the assessment of annual charges will be based on an estimate of the costs of administration of Part I of the Federal Power Act that will be incurred during the fiscal year in which the annual charges are assessed. After the end of the fiscal year, the assessment will be recalculated based on the costs of administration that were actually incurred during that fiscal year; the actual costs will be compared to the estimated costs; and the difference between the actual and estimated costs will be carried over as an adjustment to the assessment for the subsequent fiscal year.

(2) The issuance of bills based on the administrative costs incurred by the Commission during the year in which the bill is issued will commence in 1993. The annual charge for the administrative costs that were incurred in fiscal year 1992 will be billed in 1994. At the licensee's option, the charge may be paid in three equal annual installments in fiscal years 1994, 1995, and 1996, plus any accrued interest. If the licensee elects the three-year installment plan, the Commission will accrue interest (at the most recent yield of two-year Treasury securities) on the unpaid charges and add the accrued interest to the installments billed in fiscal years 1995 and 1996.

(h) In making their annual reports to the Commission on their costs in administering Part I of the Federal Power Act, the United States Fish and Wildlife Service and the National Marine Fisheries Service are to deduct any amounts that were deposited into their Treasury accounts during that year as reimbursements for conducting studies and reviews pursuant to section 30(e) of the Federal Power Act.

(i) *Definition.* As used in paragraphs (c) and (d) of this section, *authorized installed capacity* means the lesser of the ratings of the generator or turbine units. The rating of a generator is the product of the continuous-load capacity rating of the generator in kilovolt-amperes (kVA) and the system power factor in kW/kVA. If the licensee or exemptee does not know its power factor, a factor of 1.0 kW/kVA will be used. The rating of a turbine is the product of the turbine's capacity in horsepower (hp) at best gate (maximum efficiency point) opening under the manufacturer's rated head times a conversion factor of 0.75 kW/hp. If the generator or turbine installed has a rating different from that authorized in the license or exemption, or the installed generator is rewound or otherwise modified to change its rating, or the turbine is modified to change its rating, the licensee or exemptee must apply to the Commission to amend its authorized installed capacity to reflect the change.

(j) *Transition.* For a license having the capacity of the project for annual charge purposes stated in horsepower, that capacity shall be deemed to be the capacity stated in kilowatts elsewhere in the license, including any amendments thereto.

[60 FR 15047, Mar. 22, 1995, as amended by Order 584, 60 FR 57925, Nov. 24, 1995]

§ 11.2 Use of government lands.

(a) Reasonable annual charges for recompensing the United States for the use, occupancy, and enjoyment of its lands (other than lands adjoining or pertaining to Government dams or other structures owned by the United States Government) or its other property, will be fixed by the Commission.

(b) *General rule.* Annual charges for the use of government lands will be payable in advance, and will be set on the basis of an annual schedule of per-acre rental fees, as set forth in Appendix A of this part. The Executive Director will publish the updated fee schedule in the FEDERAL REGISTER.

(c) The annual per-acre rental fee is the product of four factors: the adjusted per-acre value multiplied by the encumbrance factor multiplied by the

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rate of return multiplied by the annual adjustment factor.

(1) *Adjusted per-acre value.* (i) Counties (or other geographical areas) are assigned a per-acre value based on their average per-acre land and building value published in the Census of Agriculture (Census) by the National Agricultural Statistics Service (NASS). The adjusted per-acre value is computed by reducing the NASS Census land and building value by the sum of a state-specific modifier and seven percent. A table of state-specific adjustments will be available on the Commission's Web site.

(ii) The state-specific modifier is a percentage reduction applicable to all counties or geographic areas in a state (except Puerto Rico), and represents the ratio of the total value of irrigated farmland in the state to the total value of all farmland in the state. The state-specific modifier will be recalculated every five years beginning in payment year 2016.

(iii) The state-specific modifier for Puerto Rico is 13 percent.

(2) *Encumbrance factor.* The encumbrance factor is 50 percent.

(3) *Rate of return.* The rate of return is 5.77 percent through payment year 2025. The rate of return will be adjusted every 10 years thereafter, and will be based on the 10-year average of the 30-year Treasury bond yield rate immediately preceding the applicable NASS Census. For example, for years 2026 through 2035, the rate of return will be based on the 10-year average (2012–2021) of the 30-year Treasury bond yield rate immediately preceding the 2022 NASS Census. If the 30-year Treasury bond yield rate is not available, the next longest term Treasury bond available should be used in its place.

(4) *Annual adjustment factor.* The annual adjustment factor is 1.9 percent through payment year 2015. For years 2016 through 2025, the annual adjustment factor is the annual change in the Implicit Price Deflator for the Gross Domestic Product (IPD–GDP) for the ten years (2014–2023) preceding issuance (2024) of the most recent NASS Census (2022). Each subsequent ten year adjustment will be made in the same manner.

(d) The annual charge for the use of Government lands for 2013 will be reduced by 25 percent for all licensees subject to this section.

(e) The minimum annual charge for the use of Government lands under any license will be \$25.

[Order 774, 78 FR 5265, Jan. 25, 2013]

§ 11.3 Use of government dams, excluding pumped storage projects.

(a) *General rule.* (1) Any licensee whose non-Federal project uses a Government dam or other structure for electric power generation and whose annual charges are not already specified in final form in the license must pay the United States an annual charge for the use of that dam or other structure as determined in accordance with this section. Payment of such annual charge is in addition to any reimbursement paid by a licensee for costs incurred by the United States as a direct result of the licensee's project development at such Government dam.

(2) Any licensee that is obligated under the terms of a license issued on or before September 16, 1986 to pay specified annual charges for the use of a Government dam must continue to pay the annual charges prescribed in the project license pending any readjustment of the annual charge for the project made pursuant to section 10(e) of the Federal Power Act.

(b) *Graduated flat rates.* Annual charges for the use of Government dams or other structures owned by the United States are 1 mill per kilowatt-hour for the first 40 gigawatt-hours of energy a project produces, 1½ mills per kilowatt-hour for over 40 up to and including 80 gigawatt-hours, and 2 mills per kilowatt-hour for any energy the project produces over 80 gigawatt-hours.

(c) *Information reporting.* (1) Except as provided in paragraph (c)(2) of this section, each licensee must file with the Commission, on or before November 1 of each year, a sworn statement showing the gross amount of energy generated during the preceding fiscal year and the amount of energy provided free of charge to the Government. The determination of the annual charge will